

The 'We' that Bear the Burden of the European Dilemma Can 'We' Together?¹

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This contribution provides an interdisciplinary analysis of expressions of austerity policies. It is argued that expressions of austerity policies are meaningful if and only if the intended addressees' psychological states are adequately attuned and the conceptual preconditions for implementation met. Furthermore, it is argued that if the addressees are suitably psychologically attuned and these preconditions met, utility will, by definition, be maximised and successful economical recovery enjoyed in equal measure among austerity implementors. The paper is divided into five sections. In the first section, the political scene is set in which austerity policies are expressed and the terminology is introduced. In the second section, expressions of austerity policies are dissected and an analysis of the reference conditions of such expressions provided. The third section reviews a conceptual analysis of intending and acting together and relates it to jointly implementing austerity policies. In the fourth section, the economic rationale behind expressions of austerity policies is evaluated with reference to what in economic theory is called team-reasoning theory. It is concluded, in section five, that given suitably psychologically attuned implementors of austerity policies, expressions of austerity policies are economically rational. But we should be sceptical about their economic motivation: if the people referred to, to implement austerity, are different from those calling for austerity policies, then it might appear, in the long run, that the former bear a burden for the good of the latter.

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I. Introduction

The day after the topic of this volume was announced, the 10th of February 2012, a fifth austerity policy was passed in Greece, including a 22% reduction of minimum wage, the facilitation of lay-offs, cuts in welfare systems, and a 300 million euro cut from pensions for 2012 only (Süddeutsche 13th February 2012). As of July 2013, approaching publication of this paper, new austerities have been passed including layoff of 25 000 public employees to secure further rescue loans (The New York Times 18th July 2013).

Austerity measures are motivated by need to stop the decline in the European economy, and are preceded by peculiar political statements. For instance, Sweden's Prime Minister, Fredrik Reinfeldt, suggested that we will have to work longer to maintain the welfare state (Swedish Radio, *News*, 7th February 2012) and Sweden's Minister of Enterprise, Annie Lööf, suggested that the young would have to accept lower wages and less employment security, otherwise employers would not be able to afford them (Swedish Television, *Agenda*, 9th October 2011). Pedro Passos Coelho, Prime Minister of Portugal, when announcing austerity measures, said "People of Portugal, I know you are asking whether all the sacrifices will be worthwhile. I can assure you, they are" (AP News 3rd May 2013).

Closely examined, these statements include three components. First there is the subject-term 'we', the referent of which is not explicit; secondly, there is an intention on which the 'we' is supposed to act; and, thirdly, there is a goal that the 'we', if acting appropriately, is expected to realise.

The present contribution analyses austerity-measure statements and assesses the economic rationale behind them. The hypothesis is that the *reference* of 'we' is ambiguous, owing both to the volatile psychological mechanisms fundamental to people's self-representations under a 'we'-label, and to the ontological stratification into physical, social, and institutional levels of reality at which 'we' can be taken to refer (section 2). I will also examine whether, given unambiguous 'we'-referencing, the referred to group is capable of jointly realising the goal that austerity-measure statements express (section 3) and whether it is economically rational for its members to reason as a team rather than individualistically (section 4). These three steps, taken separately, represent the psychology of social identification, the philosophy of sociality, and the economics of team-reasoning. Jointly, they provide definitions and predictions about the success of austerity measures.

Now before we begin, some clarification of terminology. I regard austerity-measure statements as types, of which the examples above are tokens. I will use the term 's-sentence' to speak of austerity-measure statements and the term 'a-content' to speak of the action-intentions expressed, so as to avoid repetition of these tokens. Sometimes I will use 'y' as a dummy for specific actions expressed in s-sentences' a-content. By the phrase 'conditions of satisfaction' of s-sentences, I will mean the conditions that must be met in order for a 'we' to realise successfully the goal in the a-content – that is, the conditions under which s-sentences refer to

people acting together with economic success. We begin then with one assumption (1.1) and one definition (1.2):

- 1.1. Austerity measure-statements (*s*-sentences) have three parts: (i) referential ('we'), (ii) action-intentional (*a*-content), and (iii) utility-prospects.
- 1.2. *S*-sentences are *satisfied* if and only if,
 - (i) they refer,
 - (ii) the referent acts according to the *a*-content, and
 - (ii) the intended utility is realised.

II. The reference of 'we'

Someone will have to bear the burden of austerity measures. The first step in our investigation is to arrive at an interpretation of who that is – who the 'we' in *s*-sentences are. This step involves determining what it means to identify with a 'we' and how 'we'-identification differs from 'I'-identification (2.1), providing reference conditions for *s*-sentences (2.2), and determining the ontological status of the proposed referent. Without an understanding of these matters, an understanding of when, to whom, and how *s*-sentences refer is out of reach. I turn to social psychologists and philosophers of the social sciences to pin down each component of this first step. It should be kept in mind that the conceptual tools to be used are selected for purposes of disambiguating expressions of austerity policies. It is not argued that these are the, or the only, conceptual tools best suited for this purpose, but they do help us make sense of to whom such expressions refer and whether the referent can act as a 'we'.

2.1. The Psychology of social referencing and self-representation

Marilyn Brewer once said "Groups that become overly inclusive or ill-defined lose the loyalty of their membership or break up into factions" (1991, 478), echoing Simmel's proposition that the imposition of large-scale organizational frames upon social elements which themselves tend toward differentiation contain the instrument of their own destruction (1908/1971, 275). What Simmel and Brewer accentuate is the tension in conative forces underlying individual- contra collective-directed prioritization. I will use the term 'psychological connectedness' to denote the strength of the relationships between individuals and the groups to which they belong. It is the strength of such relationships that Simmel and Brewer investigate. Their research is of interest for understanding how and if there is a cohesive 'we' to which *s*-sentences refer.

According to Simmel and Brewer, levels of self-representation can be pictured diagrammatically as ever-larger concentric circles where the central point

represents the individual. From the individual outward each expanse represents a social subgroup – families, neighbourhoods, communities, etc. (Brewer 1991, 476). The probability of the prioritization of self-representation from the self to significant others and then to larger groups is a function of the width of the largest circle and the quantity and distances between smaller circles down to the individual point (Ibid., 478). If a more collective self-representation is distant, merely symbolic, or abstract – for instance, if the only connection to other members is ‘having red hair’ – and the number of possible close knit collective self-representations is low, then, as Brewer and Kramer (1986, 548–649; See Kramer and Brewer 1984) showed, individuals tend to downgrade collective self-representation.

Thus, the strength of psychological connectedness is a function of (i) group-size and (ii) membership-criteria (Simmel 1908/1971, 252, 257, 262; Brewer 1991; Brewer and Caporeal 1995; Brewer and Gardner 1996; Brewer and Chen 2007).

Furthermore, among social groups we can distinguish at least two kinds. First we have *membership social groups*. Membership social groups are such that, for any individual picked out by the group-label it is not necessarily true that that individual has a self-concept corresponding to the label. If the individual has such a self-concept it is not necessarily true that that individual entertains, at any particular time, a self-representation corresponding to the self-concept (See Brewer 1991, 477). Belonging to membership social groups is, hence, not necessarily freely chosen. In contrast to membership social groups, *social identity social groups* are such that, for any individual member it is necessarily true that that individual has chosen to identify with the group, hence the individual has at least a rudimentary self-concept corresponding to the group-label. It is not necessary, however, that if the individual identifies with the group in this voluntary sense that she always entertains a self-representation corresponding to the self-concept (See Ibid; Devos and Banaji 2003; Dasgupta *et al.* 2000; Greenwald *et al.* 1998). Importantly, when speaking about social categories, identification with and membership in categories can be either exogenously or endogenously given, as a result of external imposition or internal disposition, respectively.

In this connection, I want to pay homage to the late Nobel Laureate in economics, Elinor Ostrom. Ostrom (2000) report that individuals’ willingness to cooperate and to contribute to common goods within locally designed resource regimes outperforms cooperativeness in externally enforced regimes. Ostrom’s explanation is that, although externally enforced cooperative behaviour prevents non-cooperation, it *also* prevents the development of social norms of cooperation (See Crawford and Ostrom 1995). The prediction is that, as soon as there is a chance of anonymity or escaping from detection, individuals in externally imposed resource regimes will defect from cooperation (See Bicchieri 1990, 2006). Ostrom’s reasoning might explain the findings of Brewer and Kramer (1986) that, in large groups allowing anonymity, social identity and the contribution to the common good was overrun by self-interest.

Thus the strength of psychological connectedness, apart from (i) and (ii) above, is also a function of (iii) membership-autonomy.

Now, predictions about individualistic–collectivistic prioritization in self-representation should include considerations of dimensions (i)–(iii). Let's call the three dimensions: *group-size*, *the concreteness of group membership-criteria*, and *membership-autonomy*. The first dimension pertains to the observed fact that collectivistic prioritization is primed by groups that are not too large or too small – what has been called ‘optimal distinctiveness theory’ (Brewer 1991, 478; See 1993 2003; Leondarelli *et al.* 2010). The second dimension pertains to the observed fact that, for collectivistic prioritization to be primed, membership criteria should not abstract away too many significant individual traits. The third dimension pertains to the observed fact that externally imposed membership jeopardizes loyalty and collectivistic prioritization.

To end this subsection, I propose that we have arrived at the following proposition about the psychology of self-representation:

- 2.1. The probability of prioritizing collectivistic over individualistic self-representation is a function of (i) the distinctiveness of individuals within the group and the distinctiveness of the group with regard to other groups, (ii) the concreteness of membership-criteria, and (iii) membership-autonomy.

Returning to the first part of my query, “What is the referent of *s*-sentences?” proposition 2.1 helps frame the answer.

2.2. The referent of ‘we’

Dimensions of psychological connectedness serve to clarify *s*-sentences’ reference. The referent of the subject-term ‘we’ in *s*-sentences is not definite. That is, *who* the ‘we’ is, is unclear. Now for *s*-sentences to refer the subject-term ‘we’ must pick out, either, some pre-existing social group the psychological connectedness of which is sufficiently strong, or, it must create a group-frame that people come to use as reference in self-representation. Let's call these states of affairs the ‘reference conditions’ of *s*-sentences. There are then two possibilities of reference for *s*-sentences. Either they *do* refer in one of the senses specified in the conditions of reference, or they *do not* refer. Let's specify these two possibilities further.

First, if neither of the reference conditions obtain, *s*-sentences lack a referent and are meaningless (in the sense of expressing an action-intention of no one). Second, if either of the reference conditions obtain, *s*-sentences refer to a social group, either because such a group already exists or because people start to use the ‘we’-frame as reference in self-representation. *However* we can derive from

proposition 2.1 that, *if s-sentences refer*, then it is *nonetheless* indeterminate to what degree members of the referent-group represent themselves as group-members. It follows from the *psychology* of self-representation that even if the *reference* of ‘we’ is unproblematic, the distinctiveness, abstractness, and membership-autonomy involved in belonging to the ‘we’ influence whether group-members identify with the ‘we’.

The conclusion to draw is that even if *s-sentences refer*, the *referent* is psychologically volatile. To answer the question to whom, and if, ‘we’ in *s-sentences* refer, then, we must (i) settle whether the reference conditions obtain. Then, if they do obtain, we must (ii) investigate the characteristics of the referent-group, along the dimensions expressed in proposition 2.1. From (i) and (ii) we arrive at a probability value of successful reference of any token *s-sentence*. Then justified predictions can be made. Thus, to end this subsection, on the reference of ‘we’ in *s-sentences*, the following proposition suggests itself:

2.2. The conditions of reference of *s-sentences* are states of the world where either (i) there exists some group the members of which represents themselves as a ‘we’, or (ii) the utterance frames a ‘we’ which people use as reference in self-representation – if neither (i) nor (ii), then *s-sentences* lack a referent.

In the following subsection, I draw a distinction between three ways in which existential statements in general can refer. It is illuminating to point out, when speaking of social phenomena specifically, that, according to prevalent theories in the philosophy of sociality at least, there are three levels of reality at which statements about ‘what there is in the world’ can be interpreted. Failure to distinguish between these levels might lead to bafflement about what I have said here about reference of *s-sentences*.

2.3. Three levels of reference

It might be asked, “Is it not obvious to what token *s-sentences* refer?” The reasoning might be that, apart from the fact that the subject-term ‘we’ is ambiguous in *utterance* – something any pragmatic listener with sufficient contextual information should easily apprehend anyway – it is nonetheless a fact that *there are* social groups. Certainly, it might be said, there *are*, for instance, pensioners, wage labourers, Spaniards, Europeans, and so on, and *s-sentences* refer precisely to such groups, independently of their members’ self-representations. This subsection answers such questions by showing that the reasoning behind them is fallacious. The fallacy stems from confusing the levels of reference.

To illustrate the fallacy, I turn to a rapidly growing research area in philosophy: social ontology. Social ontological statements are statements about what there is, and the existence conditions for what there is, in ‘social reality’. Social reality has

some peculiar features not shared with physical reality. John Searle has elegantly drawn two distinctions relevant to distinguish social and physical reality. Admittedly, focusing on Searle's theory is a restriction of the field and thus doing so leaves out alternative approaches to social ontology. However, his theory is the most discussed and is well known in economic theory and other disciplines outside philosophy. So, without arguing that Searle is right, I use his theory as a hermeneutic for present purposes. (For criticism, see Johansson 2003; Zaibert 2003; Meijers 2003).

First we distinguish *mind-independent* from *mind-dependent* facts. Mind-independent facts are those whose existence is not conditioned on attitudes, beliefs, representations, or any other mental states about them. Mind-dependent facts are those whose existence is conditioned on mental states about them. So, for instance, the fact that there are 60,8 million organisms with specific cellular composition within a certain geographical area is independent of what anyone thinks about the matter, whereas the fact that there are 60,8 million Italians is dependent on our representing them as 'Italians' (See Searle 1995, 7–9; 2010, 18). The first fact is ontologically mind-independent whereas the latter is ontologically mind-dependent.

Secondly, we draw a distinction between two senses of 'objective' and 'subjective'. That something is objective or subjective can be understood in an *ontological* or an *epistemic* sense. In the ontological sense, objectivity and subjectivity pertains to modes of existence. Thus the mind-independent fact that there are 60,8 million organisms within a certain area is ontologically 'objective', because it does not depend on anyone's perspective, whereas the mind-dependent fact that someone think of these organisms as 'Italians' is ontologically 'subjective', because it is a fact about someone's thoughts. In the epistemic sense, 'objective' and 'subjective' are predicates of judgments about ontologically objective or subjective facts. For instance, in our social world "there are Italians" is epistemically 'objective', because for there to be Italians it must be agreed by a sufficient amount of people that a group is to be represented as 'Italians', whereas "Italians are more handsome than Swedes" is epistemically 'subjective', because no one has to agree with the utterer for it to truly express her attitudes (1995, 8–12; 2006, 13–15).

Now *social* reality is delimited by the class of mind-dependent, ontologically subjective but epistemically objective or subjective facts. Within this division, for something actually to *be* a social fact, Searle claims that the fact in question has to be *collectively* mind-dependent. In philosophers' jargon, there has to be 'collective intentionality'.

Intentionality is a property of *aboutness* of mind. When we ask, for instance, what someone believes, desires, prefers, fears, and so on, we are in effect asking what those mental states are *about* (1983, 17–18). So, the belief that there are 60,8 million Italians can be divided into two parts: the *belief*-part, which determines the *kind* of mental state, and the *content*-part, which determines what the mental state is *about*. What the mental state is about is called its 'intentional object' (Ibid). *Collective* intentionality, then, is an aboutness-kind mental state of individuals,

expressible as, for example, “we believe ___”, “we fear ___”, where the underscore is a placeholder for intentional objects.

This far we have distinguished mind-independent from mind-dependent, and ontologically subjective and objective from epistemically subjective and objective, levels of reality. Within this division social reality requires collective intentionality and is found at the mind-dependent ontologically objective side of the divide. Now, there is yet a higher level of reality, which has been called ‘institutional’.

Institutional reality is distinguished from social reality by the inclusion of ‘status functions’ (See Tuomela 2007). Status functions are functions of individuals according to which individuals are in position to act in ways specified in ‘status function declarations’. Status function declarations are declarative speech acts, that is, they *declare that* something is the case. For declarations to be successful, what they express as being the case must become the case as a result of the expression. For *status function* declarations to be successful, the status expressed as being assigned must apply as a result of the expression. Linguistically represented, status function declarations have the form, for example, “Herman Van Rompuy counts as the Prime Minister of the EU”.

Obviously, for function assignments to be successful there has to be collective intentionality – else there could be no recognition (aboutness) of Van Rompuy (object) as Prime Minister (function). Now, once we have status functions, we also have *institutional* facts. It is an institutional fact that someone has a status that entails obligations, permissions, etc., to act in ways that constitute the status, within the context in which the status applies. That someone is Prime Minister is not a physical fact because it is mind-dependent, and it is not a social fact because it requires a *special kind* of collective intentionality (aboutness). The special kind of collective intentional states that distinguish institutional facts is *acceptance* (Searle 1995, 117–18; 2010, 102–4). By ‘acceptance’ is meant any confirmative attitude toward a status function, not necessarily ‘approval’.

Other philosophers emphasise collective acceptance as constitutive of institutional phenomena. Raimo Tuomela, for instance, says that it is a prerequisite of group-membership that the relevant individuals have collectively accepted an ‘ethos’ – a set of goals, beliefs, and premises in decision making that defines them *as a group* (2007, 187; See 2005, 332; Tuomela and Tuomela 2005, 51). Collective acceptance, according to Tuomela, amounts to a joint intention to satisfy the group’s ethos (Tuomela 2007, 20), which means, in short, that each individual intends to perform actions that are required or permitted, or at least acceptable, for the furthering of the ethos, and that he or she does so in part *because* it promotes the ethos (Ibid, 30). The requirement of collective confirmative attitudes for the occurrence of institutional phenomena is common to many philosophers (See Gilbert 1989, 301–3; Pettit and Schweikard 2006, 33–4; Bratman 1992/1999, 100–1).

What we need to keep in mind is that when we speak of the existence of classes of entities in the world, we can do so, on the present account, on three levels

of reality: physical, social, and institutional. When we speak of social entities, we speak of entities dependent for their existence on collective mental states about physical facts, that is, on collective intentionality. When we speak about institutional entities, we speak of entities dependent for their existence on collective mental states of a confirmative attitude-kind about social facts.

Now then, reconsider the above objection to my formulation of the reference conditions of an *s*-sentence. Such sentences, it was objected, refers to whatever group of people, for example, pensioners, wage labourers, Spaniards, Europeans, which the utterer intends it to refer to, because, after all, there really *are* such groups. We can now discern the fallacy, the confusion of levels of reference, behind the objection.

At the physical level there *are* people that have reached a certain age, or live within a common geographical area. Ontologically objectively there certainly is a *physical* referent, but this does not entail that there is any *social* referent. At the social level, reference *depends on what people collectively think about* people that have reached a certain age, or live within the common geographical area. Ontologically subjectively there really *are* social groups given peoples' appropriate *attitudes about the physical referent*. At the institutional level, if indeed by 'pensioner', 'wage labourer', etc., we mean people with rights, duties, and so on, then whether *s*-sentences refer *depends on peoples' collective confirmative attitudes about* such group-statuses. Given such collective confirmative attitudes, then, ontologically subjectively and epistemically objectively speaking, there really *are* pensioners, wage labourers, Spaniards, Europeans, and so on. Therefore it cannot be maintained that, for example, 'Europeans', with all the statuses that such people have, is independent of what the *referent* thinks about Europeans. Hence the objection is averted. That is to say, the fact that we can meaningfully address such a social group *presupposes that its members represent themselves as members of that group*. And here we can fruitfully reconnect to the above social psychological analysis of social identity: if it is a fact that people represent themselves *as* members of a group, for example, 'Europeans', this is a function of them having *chosen to be identified as members of that group*. This in turn depends on the size of the group, its remoteness in terms of psychological connectedness from closer groups, for example, the family or the region, and the membership criteria for being a group member. Just assuming that there is, in *reality*, such a group as 'Europeans', is therefore a rash leap over many intricate psychological and conceptual preconditions that must be met for the assumption to be true. Furthermore, if in fact there *is* a group to which austerity measures refer, this is still far from there being any fact of the matter about whether the group can *act* as a 'we' on the basis of the austerity measures, as we will see in the next section.

In conclusion, and in line with propositions 2.2 and 2.1, *s*-sentences' reference is ambiguous, not only as a result of the volatility of psychological connectedness, but also as a result of the different ontological strata at which reference can be

interpreted. Lets end this subsection with a final proposition about the referent of 'we' and a short discussion about s-sentences' reference:

2.3. Reference of s-sentences is ambiguous because of the (i) physical, (ii) social, and (iii) institutional levels of reality at which s-sentences can be interpreted.

Presumably, s-sentences should be interpreted as referring to the institutional level. The groups referred to by, for example, Pedro Passos Coelho when he suggested told the 'People of Portugal' that austerity will be worthwhile, and by Fredrik Reinfeldt when he suggested that 'we' will have to work longer to maintain the welfare state, would make no sense if taken to refer to certain multicellular organisms or to groups outside a network of obligations, duties, rights, etc. In a sense, then, proposition 2.3 is rhetorical. We already know at what level reference is intended. However, it follows from the analysis that generated proposition 2.3 that the use of 'we' at the level at which it should be interpreted will lack connection to any fact *at that level* if there are no collective confirmative attitudes about there being, for example, 'pensioner' or 'Portuguese'.

We are now in position to conclude section 2 on psychological togetherness and on reference of s-sentences with the following definition:

2. The 'we' in s-sentences *refer to a social group* if and only if,
 - (i) individuals identify the 'we' as a frame of reference in self-representation; because either
 - (ii) (a) there is a social group connoted by 'we' whose psychological connectedness is sufficiently strong, or
 - (ii) (b) 'we' frames a social group which individuals come to use as a frame of reference in self-representation; and
 - (iii) the 'we' corresponds to a fact on the institutional level of reality, that is, to a social identity represented and accepted as having right, duties, and obligations.

Definition 2 is to be thought of as a set of individually necessary and jointly sufficient conditions for s-sentence reference. The 'because' in condition (i) is not meant in the causal sense but in the sense that individuals have (ii) (a) or (b) as *reasons* for (i).

In the final analysis, *who* is to bear the burden of economic decline in present day Europe is not easy to settle, because the semantics of 'we' is polysemous, the psychology of groups multidimensional, and the ontology of groups stratified. But to who will *decide* who will bear that burden, if anyone, will ultimately be all the people subject to the institution that we call 'the EU'. How much the people are ready to accept, as a collective, if indeed they accept that they are a collective, will adjudicate who, if anyone, will bear the burden.

III. 'We' in intention and action

From now on, I will speak as if *s*-sentences actually refer. That is to say, I will grant that the use of 'we' satisfies the conditions in definition 2. My focus will be, *given* that the reference of 'we' is unproblematic, what does it take for the other part of *s*-sentences, that is, the *a*-content, to be satisfied? In other words, what does it mean to say that a group acts together, for example, and implements austerity policies, as a 'we'?

These have recently become philosophically explosive questions. To ascribe intentionality and agency to *collectives* is to mock deeply rooted assumptions that only *individuals* can have mental states and act. Conceptualisations of intending and acting jointly are multifaceted but can, with some care, avoid philosophical pitfalls. Subsections 3.1 and 3.2 explain joint intentionality and joint agency in the spirit of the philosopher Raimo Tuomela.

3.1. Jointness in modes of intentionality

It is largely agreed in the philosophy of action that actions are individuated by intentional states that cause them. An intentional state can be expressed by "I want to ____" or "He intends to ____". If the action represented by the underscore is performed on the basis of an intentional state, then it is adequate to say that the person was the *agent* of the action (See Searle 1983; Anscombe 1957).

Donald Davidson famously said that for something to qualify as an *action* and not merely as a happening or an event without agency, it must be *intentional under some description* (1971/2001, 45–7). For instance, unless I *intend* to stumble on the threshold my stumbling is not an action of mine. If I intend to fetch a book from my office and my entering the room is necessary for me to succeed, then although stumbling over the threshold is indirectly caused by my intention to fetch the book, my intention does not include 'stumbling over the threshold', and thus the stumbling is not an action of mine (See Searle 1983, 98–102).

Extending Davidson's analysis of *individual* agency to an analysis of *collective* agency is problematic. To begin with, for it to be true that people acted 'jointly' it seems necessary that the action must be *intentionally* joint. If it is not intentionally joint under some description, then it is not an action of *ours* or of a *we*. But what then is a 'joint intention'?

Basically, there are three alternatives. Either (i) joint intentions are defined in terms of the intentional *subject*, that is, to a group-subject where the members intend 'as one body' or as a 'plural subject', in Gilbert's sense (1989, 199–202); or (ii) joint intentions are defined as intentions with the same *content*, that is, agents try to reach the same goal when acting; or (iii), joint intentions belong to a specific *type of intentionality*, not to ordinary 'I'-intentionality but to 'we'-intentionality, and are defined in terms of that distinct mental type (See Searle 1990). For each

alternative there arise philosophically intriguing questions. I cannot enter in-depth the extensive literature on these matters.² Rather, I will focus on one philosopher whose theory of joint phenomena touches all three alternatives. I am thinking of Raimo Tuomela.

In Tuomela's analysis of intentionality, we can distinguish three levels. First we have ordinary private 'I-mode' intentionality; secondly, there is private other-regarding 'pro-group I-mode' intentionality; and thirdly there is pure other-regarding 'we-mode' intentionality. 'Private'- and 'other'-regarding is here meant in the *conative* sense, that is, as a predicate for the motivations that generate the intention. Thus, if my private desires, preferences, etc., generate an intention to satisfy these private states, then I intend in the 'I-mode'; if, on the other hand, my private states generate the intention to satisfy these states in part because it also furthers others' goals, then I intend in the 'pro-group I-mode'; lastly, if the states that generate the intention are shared with others as a result of collective acceptance, then I intend in the 'we-mode' (Tuomela 1993, 87–9; 2000; 2007, 47, 53–6).

What distinguishes these modes of intentionality is the degree of sharing of intentional states. From the bottom up, in the 'I-mode' it is not necessary that an individual shares her intention, for example, to go to London, with anyone for her to I-intend; in the 'pro-group I-mode', it is necessary that she at least has a belief that her going to London is compatible with others' goals; in the 'we-mode' it is necessary that it is mutually believed in her group that her going to London is the group's goal (Tuomela 2007, chapters 2 and 3). 'Mutual belief' is philosophical parlance for beliefs about beliefs in higher-orders. For instance, for there to be a mutual belief that my going to London is in my group's interest, each member of the group must believe that my going to London is in the group's interest and believe that every other member believes that my going to London is in the group's interest, and believe that every other member believes that every other member believes this, and so on theoretically *ad infinitum* (See Lewis 1969, 52–6; Tuomela and Miller 1988, 381). So when we *define* the different modes of intentionality, modes are distinguished from one another in terms of the degree to which individuals share a goal-state, that is, to what degree their intentions overlap.

Another important dimension along which modes of intentionality differ is the dimension of *commitment*. According to Tuomela, in 'I-mode' intentionality individuals are only committed to themselves in actualising their intentions, while in the 'pro-group I-mode' individuals are *socially* committed to each other to act compatibly with each others' goals through their self-interested actions. In the 'we-mode' individuals are *collectively* committed to the group to further the goals collectively accepted as the group's goals (2005, 332; 2007, 52–3).

Many philosophers understand commitments as integral to social phenomena, but they differ as to the normative status of commitments. For instance, Gilbert

2 But see especially Bratman (1992; 1999; 2009), Gilbert (1989; 1990; 2009), Searle (1990), List and Pettit (2011), and Kutz (2000), for a variety of differing views. Throughout this section I will some times compare Tuomela's analysis with these.

(1989; 2006, 5; 2009, 179) conceives of commitment as *essential* to the formation of joint intention and as entailing rights and obligations of involved individuals to the effect that others are in a position to sanction anyone who breaches the intention. According to Bratman (2009, 153–6), the normativity in joint intentionality is understood in terms of the normativity in individual intentionality. In individual intentionality it is a norm *of rationality*, rather than *of morality*, that one ought to do what furthers one's goal; likewise, it is a norm of rationality in joint intentionality that one ought to do what one can to further one's goal, which may include helping others to contribute. For Tuomela, collective commitment amounts to Gilbert's normative notion, that is, rights and obligations (2000; 2007, 37–40), but also responsibility for maintaining group-cohesion (2007, 38).

We have, then, three modes of intentionality, 'I-mode', 'pro-group I-mode', and 'we-mode', each characterised by different levels of jointness of interests, the sharing of intentions, and commitment.

To satisfy Davidson's dictum, that an action is an event that is intentional under some description, in cases of joint agency it seems the action must be intentionally joint under some description. We have now seen that for intentionality to be 'joint' is (at least (in the 'pro-group I-mode')) for their intentions to be generated out of interest for compatibility with others' goals, where there is belief about others' goals, and where individuals are committed by private intentions to promote the success of others. In a stronger sense (the 'we-mode'), intentions are joint under some description only if generated out of interest in a common goal, where there is mutual belief about the goal, and where individuals are normatively committed to each other as a group to promote the group's goals and to maintain group-cohesion.

Consider now the *a*-content of *s*-sentences; that is, what austerity measure policies tell a 'we' to do. Assuming these sentences refer, asking whether the *a*-content specifies joint intentionality is asking what mode of intentionality is involved. We have three alternatives. First, if it is the 'I-mode', then *s*-sentences can be read, "'We' must ' ψ ' because of 'private interest'". But if that is the case, then, on conceptual grounds, it is not because ψ is our goal that we must ψ , but only insofar as it is anyone's private goal, and thus ψ is not jointly intentional. Secondly, if the *a*-content of *s*-sentences is to be understood in the 'pro-group I-mode' sense, then *s*-sentences can be read, "'We' must ' ψ ' because ' ψ is compatible with our shared interests'". On this reading, on conceptual grounds, individuals are interested in their goals being at least compatible with others' goals, and this much is believed. But it is not the case that anyone's intention is generated from a conception of the goal as the group's goal, nor need there be mutual beliefs about each others' goals, nor are individuals committed to any shared goal. If, lastly, the *a*-content of *s*-sentences is to be understood in the 'we-mode' then *s*-sentences can be read, 'We' must ' ψ ' because ' ψ is in our interest'". On the 'we-mode' reading, then, on conceptual grounds, the *a*-content specifies joint intentionality because it is collectively accepted, and mutually believed, that ψ is our goal. Consequentially,

on the 'we-mode' reading of the *a*-content of *s*-sentences everyone is normatively committed to the 'we' (i.e., to the group), to ψ and to see to it that the 'we' is held together in the endeavour to ψ .

What mode of intentionality are we to opt for in interpreting *s*-sentences' *a*-content? Obviously, since the 'I-mode' does not amount to jointness, the *a*-content of *s*-sentences cannot be read in that mode, because it is contradictory to say that it is a private intention of an 'I' to act as a 'we'. The 'pro-group I-mode' reading does preserve some degree of jointness of the *a*-content – at least in the sense of avoiding incompatible interests and obstructing of goals. However, in the 'pro-group I-mode' reading the 'we' in *s*-sentences does *not quantify over the a-content*, since in this mode intentions are *private* and the 'we' only enters individuals' *beliefs* about other's, not a we's, goals. So, in this mode, austerity policies would not address a 'we', but only address people's beliefs about a 'we', and beliefs do not act. Thus to opt for a 'pro-group I-mode' reading of *s*-sentences' *a*-content is to disregard that it is a 'we' that must act, and that austerity measures thus must address a group at an institutional level of reality, that is, to a group with collectively accepted goals. Therefore, the only reading of the *a*-content of *s*-sentences that makes any sense is the 'we-mode' reading, where ψ is in *our* interest because 'we' have agreed upon it and mutually believe this, and 'we' are collectively committed as group-members to actions specified in the *a*-content.

Returning now to practical matters concerning the reference of expressions of austerity measures imposed in 'Europe' and on 'Europeans', these expressions can be made sense of only on the understanding that people are appropriately psychologically attuned to identify a 'we' and to represent themselves as 'we Europeans'. From there, people must furthermore collectively accept what is constitutive for that membership, what its goals are, what its ethos is. If this is not the case, then, according to the above analysis, psychologically and conceptually, *there is no real 'we' to actualise policies*. Therefore, if there is no collective acceptance of and social self-identification with the 'we' to which austerity measures are supposedly addressed, that such measures can be carried out by whomever it is that politicians are referring to is either a political figment or a desperate call for a unity that people do not accept.

From the analysis here presented, and fully in line with definition 2, we can conclude this subsection with the following definition:

3.1. The *a*-content of *s*-sentences specifies *joint intentionality* if and only if,

- (i) it is generated from an interest to promote the group's goals, which are
- (ii) collectively accepted by its members under conditions of mutual belief, and
- (iii) the members are collectively committed on normative grounds to promote the satisfaction of the goals.

It is instructive to bear in mind that clause (iii) can easily be changed in light of political changes. Suppose, for instance, that a law is passed enforcing the implementation of austerity measures. In that case a social group membership is forced into existence and action as a ‘we’ by its members for the purpose of actualising the policy is enforced. This would be to move from calling for acceptance of measures that presumably need to be carried out, and from a call for committed unity, to enforced unity and coercion. Whether this picture represents reality today I leave for the reader and future historical research to settle.

3.2. Possibility-conditions and success-conditions for joint action

Suppose a collection of individuals share a frame of reference in self-representation under which they identify themselves as a ‘we’. Thus, when someone correctly refers to this collective and urges it to act, there actually is such a ‘we’ (in accordance with definition 2). Suppose, furthermore, that this ‘we’ has goals, beliefs, and common traits constitutive of membership to which there is a collective commitment and about which there is a mutual belief. We then have a referent and joint intentionality, and thus satisfaction of both parts of *s*-sentences – reference and goals.

But now, what does it mean to say “‘we’ ‘ ψ ’-ed together”? In other words, under what conditions were ‘we’ acting *as a collective*? According to the philosophers that I have referred to above, two kinds of conditions must be met. The first kind of conditions is *possibility conditions* for joint action (See Tuomela and Miller 1988, 374). The second kind of conditions is *success conditions* for joint action (See Searle 1983, 97). Let’s begin by elaborating the possibility conditions.³

The first possibility condition is that the action is ‘we-mode’ action (definition 3.1 must be satisfied). We do not act as a ‘we’ if we do not intend to act as a ‘we’. Secondly, the action to be performed must be of a *joint action type*, which means that the action is part-whole divisible: there is for each participant a ‘slot’ for her contributory part-action. It is not meaningful to say “we must ____” or “we did ____” if members of the ‘we’ cannot or could not participate. A third possibility condition of joint action is that each participant intends to perform her part *as her part*, which means that each participant intends her part to contribute to the whole action (Tuomela and Miller 1988, 376; Tuomela 1993, 90; 2000; 2005, 330). Fourth, each participant must believe that the possibilities for joint action obtain for a sufficient number of other participants. That is to say, one cannot, at least rationally, intend to do something that one does not believe is achievable, and one cannot rationally intend to do jointly what one believes not to be jointly achievable (Tuomela 2005, 330; 2007, 93–4).

3 If the reader is unsatisfied with my choice of a theoretical foundation in this discussion and is interested in alternative approaches, I refer her to Gallagher (2004), Sebanz *et al.* (2006), Michael (2011), Butterfill (2012), and Lo Presti (2013a, 2013b).

We have, then, four possibility conditions for joint action, in the ‘we-mode’ sense that are relevant here: (i) agents jointly intend an action in the ‘we-mode’; (ii) the action is of the joint type, that is, part-whole divisible; (iii) agents intend to do their respective contributory parts; and (iv), it is mutually believed among them that (i)–(iii) obtain, that is, each believes that (i)–(iii) obtain and believes that the others believe this, and that others believe that they believe this, and so on (2005, 340–1; but see Searle 1990, 1995).

Now the *success conditions* for joint action is the non-accidental realisation of the jointly intended action, that is, to have jointly, intentionally performed a joint action type by means of contributory parts that actually contributed to the whole. The whole, remember, must have been a goal collectively accepted for the group under conditions of mutual belief.

An interesting consequence of the possibility and success conditions for joint action is what Tuomela (2007, 48) calls the *collectivity condition*. If we pause and contemplate the logical structure of a ‘we-mode’ intentionally joint action it dawns that, necessarily, if the action is successful for *one* participant then it is successful for *all*. Simply put, it *cannot* be the case that a ‘we-mode’ intentionally joint action, that is, an action in which each participant shares the same collectively accepted goal and succeeds in performing contributory parts to that goal, satisfies only *some* of the participants’ goal. Of course, some subgroup may *conspire* to reap the prize of success, but then we do not have a ‘we-mode’ intentionally joint action to begin with, or else to ‘reap the prize’ denotes an intention distinct from the action that, as it were, produced the prize, and so is distinct from the joint action.

In conclusion, we can build on definition 3.1 with the following two definitions:

3.2. Action-intentions represented in the *a*-content of *s*-sentences are *jointly satisficeable* if and only if,

- (i) the action is jointly intentional (definition 3.1),
- (ii) the action is part-whole divisible with a part for each participant who accordingly intends to contribute with part-actions, and
- (iii) (i) and (ii) are mutually believed among the participants;

3.3. Action-intentions represented in the *a*-content in *s*-sentences are *jointly satisfied* if and only if, every participant’s intention is satisfied, or no one’s is.

By ‘jointly satisficeable’ and ‘jointly satisfied’ I mean that it is possible for agents to jointly cause the action, and that the action was jointly caused, respectively.

There are of course issues surrounding joint intentionality and joint agency to which I have had to turn a blind eye. One issue is that of intending someone else’s action. Philosophers are prompt to preclude mysterious ‘action at a distance’. To cause someone else’s action according to one’s own intention is often thought of as such mysterious action (See Searle 2010, 44–5). It is generally thought that it

is only possible to cause another's action indirectly, by causing (e.g., persuading, deceiving, coercing) him or her to intend the action.⁴ In the present paper I assume, what is generally assumed, that agency presupposes that the action is intentional under some description, and that it is the *acting agent's* intentions, as causes of the action, to which the description must refer. This is compatible with definition 3.2, since here joint intentions, as causes of joint action, must figure in a description of the action as jointly intentional – otherwise, there is no joint action.

Returning to the general purpose of my investigation into the possibility that groups referred to in *s*-sentences – given that such sentences refer – *can succeed* in carrying out actions specified in *a*-contents, and, hence, for utterances of *s*-sentences to be meaningful: it is necessary that the *a*-content specifies an action such that the 'we'-members have a joint intention in the 'we'-mode (3.1) for which the joint action opportunities obtain (3.2). *If* the 'we'-members do *not have* a joint intention to perform the action represented in the *a*-content, then it must be possible for them to *form* such an intention, that is, a 'we-mode' joint intention. As accounted for in definition 3.1, this means that the 'we'-members must have an interest in promoting shared goals, that these goals are collectively accepted under conditions of mutual belief, and that the 'we'-members are collectively committed, that is, normatively bound, to promoting the goals. If these conditions are not met, then it is not, on the current analysis, meaningful to say "we will do it" or "we did it".

Consider, now, 'Europeans', 'Swedes', 'Portuguese', 'wage labourers', and 'pensioners'. I have argued, consistently with established research, that whether any of these terms pick out real groups (correspond to institutional rather than social or physical facts), whose members prioritize group-identification and group-interests, is a matter of volatile psychological relations. I have shown that, *given* that such groups exist and are referred to in *s*-sentences, it is from a conceptual point of view contentious to expect them to form join goals and to act on such goals successfully. There are extensive conditions that must obtain for success, as specified in 3.1, 3.2, and 3.3.

These conclusions suggest that the 'we' to bear the burden of economic decline in present day Europe can only with great difficulty bear that burden in any *real* 'we'-sense, as proposed by some politicians. According to my investigation, this has not so much to do with what people *want*, as with what they *believe* they *can* together. Of course it is *logically possible* that typical *s*-sentence 'we'-groups will act with typical *a*-content actions as their goals. For them to *do* so, though, it is necessary that they together conjure up prodigious amounts of faith, acceptance, and coordination. Furthermore, suppose that they *do* act in accordance with austerity policies, then it follows by definition that if they are successful *everyone* is successful as a 'we', and whatever gains there are to reap will be reaped by everyone. Conversely, if people *do not* act in accordance with austerity measures,

4 For an alternative view, and an in depth discussion about the case of coercion, see Abraham Sesshu Roth (2004, 381–86) and Julian Krause's response (2012). See also Michael Bratman (1992/1999, 105; 1993/1999, 115).

then that means that they do not accept that they should so act, at least as a 'we'. Interestingly, if people *do* act in accordance with austerity policies but do not reap the supposed gains in equal measure, then that would *mean* that they have been by deceived by someone, or by some faction in their own group. And the fact *that* people act in accordance with austerity policies does not by itself mean that they voluntarily did so, but may be a result of contested legislation.

In the last section before concluding I ask: given that there is a 'we' and that the 'we' can do together what is intended, is it economically rational to invoke a 'we' rather than addressing individuals? Is the probable utility of us acting as a 'we' greater than the probable utility of us acting as separate individuals? These questions carry our investigation into the realm where game theory meets economics, where some philosophers and economists are questioning the orthodoxy of putting the *individual* centre stage when predicting and explaining action.

IV. The economical 'we'

We have reached the point where we know what it means for austerity-policy expressions to refer and for the referent jointly to implement austerity policies. That is, we know what the conditions for satisfying s-sentences are, and that was my primary objective.

Assuming from here on that the conditions of satisfaction, are met, let's evaluate the economic rationale that is not expressed *in* s-sentences but is implied: that if *we* together *do* together what is proposed, we will in the long run receive a greater *utility*.

To evaluate the economic rationale, I turn to game theory. In game theory payoff-involving action dilemmas are modelled, and predictions and prescriptions of action are formulated. Subsection 4.1 presents the basics and questions orthodox game theory, 4.2 reviews an alternative model, and 4.3 assesses the alternative and uses it to frame what I call the 'European Dilemma'.

4.1. The Basics of and problems in orthodox game theory

Game theorists use 'matrices' to model action dilemmas. Matrices represent the structures of the games, the players involved, possible choices, and payoffs.

Fig. 1. Game-matrix.

Players		B	
Choices		c	c
A	c	x, y	x, y
	d	x, y	x, y

Payoff(A), Payoff(B)

The game-matrix in Fig. 1 represents two possible choices, *c* and *d*, for two players, A and B. Players' payoffs are a function of choice-combinations, (*c,c*), (*c,d*), (*d,c*), and (*d,d*), and are represented by *x* as A's payoff and *y* as B's. Let's call choice-combinations 'strategies'.

Different kinds of games can be modelled within standard game matrices. Two such games are the "Prisoners' Dilemma" (PD) and "Hi-Lo".

Fig. 2. PD.

		B	
		c	d
A	cooperate	2, 2	0, 3
	defect	3, 0	1, 1

Fig. 3. Hi-Lo.

		B	
		h	l
A	high	2, 2	0, 0
	low	0, 0	1, 1

In orthodox game theory, players are assumed to be rational individualists, and are expected to ask, "What is rational for me to choose?" In PD-games, *defect* is the 'dominant choice', that is, the payoff from defecting is higher regardless of the other's choice. Orthodox game theory also presupposes *methodological individualism*, that is, explanations of choices are couched in terms of *individuals'* beliefs and desires (Lewis 1969). Orthodox game theory thus predicts that PD-players will choose strategy (*defect,defect*) because that is the payoff-maximizing answer to the question, "What is rational for me to do?" (See Hakli, Miller, and Tuomela 2010, 293; Pacherie 2011, 184).

Orthodox game theory faces two problems. First, it is repeatedly observed that players *do not* choose as orthodox game theory predicts. About half of PD-players choose *cooperate* (Ostrom 2000; Colman et. al. 2008a; 2008b). Surely a theory with $\approx .5$ prediction accuracy is not satisfactory. One might respond that this does not *disprove* the theory, but proves that players are not always *rational*. This response leads to the second problem: In orthodox game theory the *rational*

choice in any game is the individually payoff-maximizing choice, that is, the best reply to the other's expected choice, also called the *Nash equilibrium*. In PD it is rational for B to choose *defect* given that A chooses *defect*, and so the strategy (*defect,defect*) is a Nash equilibrium. But notice that in the PD there is a Pareto optimal Nash equilibrium, i.e., a strategy where at least one player is better off and no-one is worse off, (*cooperate,cooperate*) with payoffs 2, 2. However, since orthodox game theory assumes players to be rational individualists who suppose that the other players are also rational individualists, (*defect,defect*) with payoffs 1, 1 is *prescribed* as rational. But this is intuitively *irrational*, since (*cooperate,cooperate*) *both* maximizes total payoff *and* is Pareto optimal (See Gold and Sugden 2007, 117–8).

Consider the Hi-Lo game. In Hi-Lo there are two Nash equilibria (*high,high*) and (*low,low*) where the first strategy is Pareto optimal. Intuitively *high* is the rational choice. Strangely, orthodox game theory is indeterminate in Hi-Lo, since *high* is rational only given that the other player chooses *high*. But then again, for the second player, *high* is rational only given that the first chooses *high*, for whom *high* is rational only given that the other chooses *high*. And we have a regress (See Sugden 2000, 182; Colman *et al.* 2008a, 389).

Let's call the first problem for orthodox game theory, its unreliable predictions, the 'empirical' problem. Let's call the second the 'prescriptive' problem – prescribing non-Pareto strategies in PD and yielding indeterminate prescription in Hi-Lo.

Various solutions to the prescriptive problem have been suggested. For instance, *evidential decision theory* suggests that players have strong expectations – assign a high probability – that others will choose as they themselves choose (Colman *et al.* 2008b, 409). In Hi-Lo there are two choices. It is equally likely that players choose *high* or *low*. According to evidential decision theory, then, B supposing A to be individually rationally chooses *high* as her part of the (*high,high*) strategy. The same goes for A. Both A and B, then, can be *certain* that the other will play *high*. But this involves a contradiction, since we start from the assumption that there are two equally likely choices. The reasoning by A and B is thus irrational, either because they are unjustified in the assignment of probabilities (by their own lights they are *certain*) or, because, as it turns out, their reasoning involves only *one* possible choice whereas in fact there are *two* (See *Ibid*, 410; 2008a, 390).

Taking the empirical and prescriptive problems seriously, economists and philosophers question the viability of orthodox game theory. A better approach, some suggest, is *team-reasoning* theory.

4.2. Team-reasoning theory

Michael Bacharach (1999, 118) describes team-reasoning as a player framing herself as a group -member, “putting herself in the position of an imaginary manager and determining the action which the manager would prescribe for her”. From this

hypothetical perspective players ask in the first person plural, “what strategy is rational for us?” and then choose their part in it (Ibid, 134–6). Team reasoning differs in structure from individualistic reasoning. In the former, players reason about strategies – arrays of choices of a team, a ‘profile’ – out of which one’s own action is chosen, while in the latter players choose their own actions given certain beliefs about others’ choices (Sugden 2000, 193; 2011, 18).

Team-reasoning theorists do not claim that team-reasoning involves *agency transformation*, that there is a subject, the ‘group’, which acts. Rather, individuals can *frame* game matrices as *collective* action dilemmas and form joint intentions to act as a ‘we’ (Pacherie 2011, 184–5; Gold and Sugden 2007, 130). Frames are sets of concepts and descriptions that players use in self-reference.

From the team-reasoning perspective, groups can nonetheless be *interpreted* as intentional agents whose actions are performed from a rational point of view – a point of view from which agents resolve contradictions in reasoning and conflicting attitudes, rank preferences, determine means for preference-satisfaction, and so on (Tollefsen 2002, 32). Groups can deliberate about the goals and means to satisfy goals, and so groups can be interpreted as intentional agents. This group-*intentional* agency is not explainable in terms of *I*-intentional agency, since the preference rankings, means determination, and so on, is not necessarily found at membership-level. Choices that no player would arrive at in individual reasoning can be derived by individuals from team-reasoning (See Ibid, 42–3; for proof, see List and Pettit 2011, chapter 2). Although, ultimately, it is *individuals* that act and reason, the aggregation of individual attitudes can create an output that is not reducible to any individual attitudes. Thus the explanation for individuals’ choices in the team-reasoning paradigm departs from methodological individualism. Tollefsen (Ibid, 42) endorses *methodological holism*, according to which individuals’ actions are explained by an appeal to collective deliberation. Bacharach draws an analogy between team-reasoning and time-extended individual reasoning: just as time-extended individuals choose *at now* in time, team-reasoning individuals choose *at me* in the team (1999, 143). Similarly, Sugden argues that individualistic reasoning is a special case of team-reasoning in that it can be modelled exactly as team-reasoning but with a singleton team (2000, 195). Hakli, Miller and Tuomela (2010, 310) suggest that players in the ‘we-mode’ (See section 3) reason from a meta-standpoint where they ask *about the game-matrix*, not what to *choose*, but how to *frame the problem*, and then they ask *about the strategies*, not “what should *I* do?” but “what should *we* do?” and act accordingly.

Team-reasoning theory thus departs radically from orthodox game-theory by questioning methodological individualism. It is predictable in team-reasoning theory that players choose *cooperate* in PD and *high* in High-Lo, and it prescribes these choices. Thus team-reasoning theory can solve the empirical and prescriptive problems in orthodox game theory by moving from ‘I’-reasoning to ‘we’-reasoning.

4.3. Game-matrix transformation and utility-maximization

Let's assume that team-reasoning theory is conceptually tenable. Is, then, team-reasoning with regard to the *s*-sentences' *a*-contents likely to maximize the utility?

To answer this question, we need to understand the structure of the game represented in *s*-sentences – austerity policies. The structure need not be simple but should correspond to current state of affairs.

On close examination, *s*-sentences represent a typical *commons dilemma*. In common dilemmas individuals choose to take or refrain from taking from a common good (Brewer and Kramer 1986, 543). Likewise, austerity measures involve dispensation with common goods, such as welfare programmes and low retirement age.

Commons dilemmas can be represented in the PD-structure. The argument for this is: if, as proposed in *s*-sentences, resources are sparse but are expected to be replenished if people adhere to austerity, then (i) *defection-defection* postpone replenishment in exchange for small immediate gains – small since both players share the spoils – (ii) *cooperation-cooperation* precipitates replenishment in exchange for a postponed greater gain, and (iii) *defection-cooperation* postpone replenishment in exchange for one player's immediate gain – one takes it all and the resource has to be replenished. Thus, we have the traditional PD-structure. Lets call this PD-type game, imaginatively, the “European Dilemma” (EUD).

Fig. 4. EUD.

		B	
		<i>c</i>	<i>d</i>
A	<i>cooperate</i>	2, 2	0, 3
	<i>defect</i>	3, 0	1, 1

In orthodox game theory players of the European Dilemma are expected to maximize their respective payoffs. In accordance with methodological individualism, the prescribed rational choice – the answer to the question “what should I do?” – is *defect*, and thus the (*defect,defect*) strategy is predicted.

Enter team-reasoning theory. From the perspective of team-reasoning, the first step is asking what question ('I' or 'We') should be asked about which strategy would be rational. Thus we have the meta-EUD:

Fig. 5. Meta-EUD.

		B	
		We c / I c	We d / I d
A	We c / I c	(4) / (2, 2)	(3) / (0, 3)
	We d / I d	(3) / (3, 0)	(2) / (1, 1)

From *this* matrix, team-reasoning players conclude that the rational question to ask about the game is the we-question, since the answer to *that* question is the Pareto optimal Nash equilibrium, the (*cooperate,cooperate*) strategy. Remember that when it comes to acting as a 'we', the payoff is a 'we'-payoff. That is, on the current approach, if 'we' succeed every member of the 'we' succeeds (See Tuomela 2007).

To clarify Figure 5, in the top-left cell, if A and B ask the we-question about (*cooperate-cooperate*) they conclude that the we-utility is 4, while if they ask the I-question they conclude that 2 is their respective utility. In the top-right and bottom-left cells, if A and B ask the we-question about (*cooperate-defect*) and (*defect-cooperate*) respectively, they will conclude that the we-utility is 3, while if they ask the I-question they will conclude that the utility is 0, 3 and 3, 0 respectively. The bottom-right cell is the inverse of the top-left – defecting as a team yields a we-utility 2, while defecting as individuals yields a utility 1.

Team-reasoning thus enables *matrix-transformation*. Players first settle on how to *frame* the game, they then reason about *strategy*, and, lastly, they *act* accordingly. When there is a pay-off dominant strategy, we-reasoning players will be guaranteed maximum group-utility (Hakli, Miller, and Tuomela 2010, 317) rather than the third-best utility (1, 1) predicted by orthodox game theory.

The EU-dilemma is, remember, a PD-type game. But via team-reasoning and the meta-version of the dilemma we arrive at another game entirely. Lets call it the 'we'-utility game (WE-U):

Fig. 6. WE-U.

		B	
		<i>c</i>	<i>d</i>
A	<i>c</i>	4	3
	<i>d</i>	3	2

It should be obvious what the rational choice in the WE-U game is. It should also be obvious from the preceding analysis why orthodox game theory does not yield this result.

There are complicating issues to be dealt with by team-reasoning theorists, no doubt. For instance, when are the players assured that the others players team-reason? Rewardingly, we have already dealt with this issue above (definition 3.1, condition (ii); see also Tuomela and Tuomela 2005, 71–4). Another issue is coercion, which has also been dealt with above (in 2.3 (iii), 3.1 (ii), and 3.2 (i)). On coercion Bacharach writes, when team-reasoning agents act on intentions formulated by others but are left to figure out for themselves what their respective part-actions are, we are dealing with coerced agency (1999, 119). This conception of coercion comes close to the very object of my investigation: austerity-policies' intentional content for the 'we' to implement without the 'we' being unambiguously addressed or the appropriate actions for implementing austerity openly submitted. Whether or not coercion is a concept, suitably defined, the signification of which applies to the present state of affairs in the EU will be further discussed below.

Another issue is that of repeated games (Crawford 1991; Ellison 1993). In repeated games players are in position to learn and predict other players' decisions (Sugden 2003). The effects on payoffs from repeated PD-games is that if players know the number of rounds, they will defect in the last round, the explanation being that in the final game there is no risk of giving the other player the impression that one is a defector, which may lead to future sub-optimal payoffs (Bicchieri 1990). This explanation of 'closing defection' presupposes that players do not wish to be identified as defectors. That concern has indeed been found to be motivated. It has been observed that when people are in a position to punish defectors they are willing to spend resources on monitoring and sanctioning systems (Ostrom 1990, 2000). Thus, although sanctioning has a cost, it seems that it is something people are prepared to pay in order to maintain cooperation. This fact, in turn, can explain why, in repeated games, the level of cooperation does not decline but remains between forty and sixty per cent (Ostrom 2000).

For present purposes, the data from experiments with game repetition points toward the following consideration. Consider what happens if, in a repeated EUD, austerity policies are imposed successfully (people collectively accept them and manage to actualise them as a we), but either the expectations of utility are not

met or utility is passed upon a subgroup of the 'we'. In that case, positions are revealed: some players become known as co-operators and others as defectors. In future games this presumably leads those of the first group to defect and a sub-optimal payoff to result. Indeed, according to the reviewed data, if players have learnt that others cooperate, then it makes no sense to defect. So if the EUD is a repeated game (remember that by the time this article is written the fifth austerity measure had been passed in Greece), defection by some players is indicative of distrust among players, which in turn indicates that either the expected utilities have not been met before or they have only accrued to a few. That is to say, people have learnt that co-operators are exploited and that defection is at least minimally rewarding. That the EUD is a repeated game can be affirmed with reference to how the game matrix was brought about: politicians addressing a 'we' to implement policies. That matrix, even if relatively new on the EU scale, is a repeating matrix; so the game played is a repeating game. From these considerations it is justified to conclude, from the premises that (i) people do not identify with the 'we', (ii) do not commit themselves to the action (austerity implementation) expressed as a 'we'-goal, and (iii) do not choose to frame their current situation as one in which 'we'-reasoning is rational, that it is reasonable for the people under consideration to not trust the estimated utility of playing the 'EU game' and to not believe that the distribution of yielded utility will be measured according to cooperation. Of course, it is not *obvious* that the state of the EU makes these premises true and the conclusion follows. Either way, if, for instance, the Greeks or the Portuguese do not accept austerity policies, then we can start to check off the premises to arrive at an explanation. As the saying goes, you have made your bed and now you will have to lie in it – or, concerning austerity policies, as the game has been played people will play it again. And this is supported by the reviewed data on repeated games.

This section closes the circle that I have drawn around austerity policies. The considerations put forward here reinforce the central theme in this contribution: it makes sense to propose austerity measures, and there are prospects for payoffs, only to the extent that those addressed to bear the burden represent the situation as one in which they, *as a we*, should act. In the long run it seems that the only alternative to meaningfully addressing a 'we' to bear the burden is to create it by enforcement or coercion; and this might be necessary for the 'we' to comply given that the game is known from repetition to be rigged for the benefit of a few rather than the common benefit of the 'we'.

V. Conclusion

I am not implying that it is philosophically unthinkable that Europeans, Swedes, Portuguese, or other groups *will* cooperate as a 'we' and jointly overcome current hardships. Neither would it be psychologically extraordinary. There is no psycho-philosophical incoherence in conceiving people acting as a 'we', as a jointly

intentional agent. Were we to retrospect in the future and triumphantly proclaim, “We did it!” this would not disprove anything I have said. We should be sceptical, though, and ask *who* it was that did *what* on *whose intention*. This scepticism is not motivated by fear of having theories disproved, but by the hope that it is *true* that *we did it*. Because if it is true, then, new developments in economics and game theory suggest that *our* payoff will be greater than if we did not (section 4).

Retrospectively we can test whether it is true that we overcame economic decline. If it is true, then there should be no individuals in ‘the EU’ whose intentions are satisfied while the European people’s are not, and there should be no individual whose payoff, as a result of what *we* did, is greater than others’. These are no moral dictates. It is how it should be, *by definition*, if indeed *we* bore the burden of economic decline (section 3).

Will we bear that burden? To answer that we need to know *who* we are, who we want to *be*, *what* we want, whether we want to do it *together*, and *how* to share the burden. And that is ultimately a matter of what characteristics we have in common, if we freely choose those characteristics, what we mutually believe, and whether we are ready to accept the intentions others set for us to implement together as a collective (section 2).

Perhaps austerity policies can succeed regardless of the psychological, philosophical, and game theory preconditions I have illuminated. In that case, at best, they are not intended to be satisfied *by the people* at all but intended *for the people* to satisfy, and then ‘we’ cannot share the burden but only the bondage to re-establish someone’s economic privileges.

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